STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT

)
IN THE MATTER OF: Gary Carter Jr.,)
Gary Carter Sr., Cheetah Machines Inc., its Partners.)
Members, Officers, Directors, Agents, Employees,)
Affiliates, Successors and Assigns; and)
Directors, Agents, Employees, Affiliates, Successors)
and) File No. C1100006
Believer's Two, Inc., its Partners. Members, Officers,)
Directors, Agents, Employees, Affiliates, Successors)
And Assigns)
)
)

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS:

Gary Carter Jr.
Believer's Two, Inc.
7455 Grant Circle
Hanover Park, Illinois 60633

Cheetah Machines Inc. Attention: Case Hoogendoorn 122 S. Michigan Suite 1220 Chicago, Illinois 60603

Gary Carter Sr.
Cheetah Machines Inc.
7490 Washington Street
Hanover Park, Illinois 60133

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

BACKGROUND FACTS

1. Believer's Two, Inc. ("Respondent Believer's Two" or collectively with Respondents Gary Carter Jr. and Gary Carter Sr., "Respondents") is a

TEMPORARY ORDER OF PROHIBITION

- 2 -

Illinois corporation dissolved involuntarily in 2010. Its last known address is 7455 Grant Circle, Hanover Park, Illinois 60633.

- 2. Cheetah Machines Inc. ("Respondent Cheetah" or collectively with Respondents Gary Carter Jr. and Gary Carter Sr., "Respondents") is purported an Illinois corporation. Its last known address is 7490 Washington Street, Hanover Park, Illinois 60133.
- 3. Gary Carter Jr. ("Respondent Carter Jr." or collectively with Respondent Believer's Two, Cheetah and/or Gary Carter Sr., "Respondents") was the President of Respondent Believer's Two at all relevant times herein.
- 4. Gary Carter Sr. ("Respondent Carter Sr." or collectively with Respondent Believer's Two, Cheetah and/or Gary Carter Jr., "Respondents") is the President of Respondent Cheetah at all relevant times herein.
- 5. That beginning in 2009, Respondents offered and sold "class A common stock" marked "Cheetah Believer"s Two, Inc" to unaccredited Illinois investors.
- 6. That just prior to the purchase of stock, the Respondents took arranged for all the investors to "tour" the facility; however the facility toured was not owned or operated by the Respondents at any time.
- 7. That the activities set forth in paragraphs above constitute the offer and sale of stock, and therefore a security, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seg.

COUNT I 815 ILCS 5/12.A and D violations: Respondents are unregistered securities.

- 1-7. Paragraphs 1-18 are re-alleged and incorporated by reference.
- 8. Respondents failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
- 9. Section 5 of the Act provides, <u>inter alia</u>, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
- 10. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq., (the "Act") states that it shall be a violation of the provisions of this Act

TEMPORARY ORDER OF PROHIBITION

- 3 -

for any person to "offer or sell any security except in accordance with the provisions of this Act."

- 11. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq., states that it shall be a violation of the provisions of the Act for any person to "fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
- 12. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

COUNT II

815 ILCS 5/12.F violation: Respondents engaged in practices in connection with the sale of securities that worked a fraud or deceit on the purchaser thereof

- 1-7. Paragraphs 1-7 are re-alleged and incorporated by reference.
- 8. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq., states that it shall be a violation of the provisions of the Act for any person to "engage in any transaction, practice, or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof."
- 9. The facts alleged in above allege facts that show conduct by the Respondents that violate Section 12.F of the Act. In particular: Respondents own or operate the facility which they portrayed to the investors was their facility.

COUNT III

815 ILCS 5/12.G violation: Respondents obtained
Complainants' money by making
untrue statement of material fact
and omission to state a material fact

- 1-7. Paragraphs 1-7 are re-alleged and incorporated by reference.
- 8. Section 12.G of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq., states that it shall be a violation of the provisions of the Act for any person to "obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."

10. The facts alleged in above allege facts that show conduct by the Respondents that violate Section 12.G of the Act. In particular: Respondents own or operate the facility which they portrayed to the investors was their facility.

COUNT IV ILCS 5/12.D Violation, Failure to Respond

1-7. Paragraphs 1-7 are re-alleged and incorporated by reference.

815

- 8. That the Office of the Secretary of State, Illinois Securities Department ("Department") commenced an investigation into the Respondent's activities for possibly offering/and or selling unregistered securities in the State of Illinois without being registered as a salesperson pursuant to Section 8 of the Act.
- 9. That in connection with its investigation the Department on January 27, 2011 sent a letter pursuant to Section 11.C of the Act ("11.C letter") to the Respondent at his home by means of certified mail, return receipt requested. The Respondent pursuant to the terms of the 11.C letter was required to respond in writing within ten (10) business days from receipt.
- 10. That the above-referenced 11.C letter was received at the Respondent's place of home on January 29, 2011.
- 11. That the Respondent did not respond to the January 27, 2011 11.C letter as required.
- 12. That Section 12.D of the Act provides, <u>inter alia</u>, that it shall be a violation of the provisions of the Act for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
- 13. That by virtue of the foregoing, the Respondent has committed a violation of Section 12.D of the Act.
- 14. The aforementioned findings are based upon credible evidence.
- 15. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

The entry of this **Temporary Order of Prohibition** prohibiting Respondents, or their agents, affiliates, successors and employees, from offering or selling securities in

TEMPORARY ORDER OF PROHIBITION

- 5 -

the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents; Gary Carter Sr., Gary Carter Jr., Believer's Two Inc., its Partners, Members, Officers, Directors, Agents, Employees, Affiliates, Successors, and Assigns and Cheetah Machines Inc., its Partners, Members, Officers, Directors, Agents, Employees, Affiliates, Successors, and Assigns are **Temporarily Prohibited** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the **Temporary Order of Prohibition**. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 1st day of April 2011.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Mary A. Lopez Illinois Secretary of State Securities Department 69 West Washington Street Chicago, Illinois 60602 312-793-3023